



Anti-Corruption Network for Eastern Europe and Central Asia

Istanbul Anti-Corruption Action Plan

MONGOLIA

Progress Report

This report is presented by Mongolia at the 12th Monitoring Meeting on 23 – 25 September 2013.

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Overview

Since the Anti-Corruption Law entered into force starting from 1 November 2006, many changes have been made in legal environment of Mongolia that regulates anti-corruption issues. The main changes that have been made in recent years are:

- United Nations Convention Against Corruption (UNCAC) was ratified by the State Great Hural of Mongolia on 27 October 2006. As a member country, Mongolia was one of the first countries that submitted its self-assessment report to UNODC. Afterwards, the recommendation on implementation of UNCAC was released in late 2012. In order to successfully implement recommendations of a country review report on chapter III and IV of UNCAC, Independent Authority Against Corruption of Mongolia (IAAC) developed a draft action plan for cooperation on implementation of UNCAC with country representative offices of UNODC and UNDP and submitted the said action plan to the concerned organizations for approval. Also IAAC in cooperation with the State Great Hural of Mongolia and UNDP, organized a workshop on “Implementation of UNCAC in Mongolia” on 22 January 2013.
- The amendment made in Criminal Procedure Code of Mongolia in 2007 determines jurisdiction of the Independent Authority Against Corruption of Mongolia. The said amendment clarified jurisdiction of the following crimes:
 - Abuse of power or office by a state official
 - Excess of authority by a state official
 - Abuse of authority by an official of an NGO or a business entity
 - Excess of authority by an official of an NGO or a business entity
 - Receiving of a bribe
 - Giving of a bribe
 - Intermediation in bribery
 - Spending of the budget funds contrary to their designation
- The Law on the Regulation of Public and Private Interests and Prevention of Conflict of Interest in Public Service, in short the Conflict of Interest Law entered into force on May 2012. In association with this newly adopted law, the follow up amendments are made for the following legal acts: The Anti-Corruption Law, The Criminal Code and The Criminal Procedure Code, The Law on Civil Service. The amendment related to the Law on Civil Service associated with prohibitions and restrictions for public officials, while the amendment related to Criminal Code associated with introduction of new article “Illicit Enrichment”. The main points for other amendments are: new jurisdictions added to mandate of IAAC by amendment of Criminal Procedure Code and sanctions have become more clarified by the amendment of Anti-Corruption Law.

Preventive anti-corruption policies and practices. The main prevention and public awareness activities that are implemented from January-June 2013 by IAAC are the following:

- Between January 2013 and June 2013, the Prevention and Public Awareness Department (PPAD) of IAAC completed 24 reviews in rural areas covering its administrative organizations, public schools, public procurement offices and other public service providers. As a result, 31 recommendations were given to 20 provinces, 1 hospital and other public organizations.
- In the beginning of 2013, on enquiry of public that was introduced by newspapers and media, PPAD conducted reviews related to student stipend in 20 universities and gave concerned advice to the Ministry of Education and Science of Mongolia. As a result, the Ministry accepted the advice and altered the related on-going money transfer procedures by transferring student

stipend directly to personal bank accounts of students instead of transferring the fund to the bank accounts of the universities.

- The Working Group established under the Office of President of Mongolia, started work on development of National Strategy to Combat Corruption and currently is planning to present the draft strategy to the State Great Hural this autumn session. In order to complete the draft of the strategy and its accompanying work plans, Chief of the Office of President of Mongolia issued ordinance on re-establishment of the Working Group that covers wider range of representatives. Under the ordinance, IAAC shall operate as the Secretary of the Working Group.
- Based on evaluation method for assessing the corruption prevention plan of public organizations developed by Anti-Corruption and Civil Rights Commission (ACRC) of the Republic of Korea, IAAC has engineered its own “Method for Evaluation of Anti-Corruption Activities of Public Organizations”. This method is introduced to competent officials of 16 provinces and 2 soums. According to this method, IAAC and the Asian Foundation agreed to conduct evaluation on implementation of National Plan for Anti-Corruption by using a team of independent experts.
- IAAC received grant approval equal to USD239.500 from World Bank for the project on “Strengthening Corruption Prevention and Monitoring”. The objective of the project is to strengthening capacity of the IAAC. PPAD played important role in receipt of the approval from World Bank and is still working on in order to develop training plan for targeted groups and terms of reference for consultants within the framework of preparation of the project implementation.
- IAAC was one of the co-organizers of National Forum on “Justice and Rule of Law” initiated by the President of Mongolia. The forum took place on 17 May 2013 and all governors and heads of Citizens’ Representatives Hurals of the country were participated in the meeting. PPAD and UNODC were two of the main presenters in the forum. After the forum, PPAD was quick to take a follow-up action and disseminated action plan that is based on presentations of the forum, to all related parties.
- PPAD is currently working to single out the rules and the procedures that are not in the same line with the Anti-Corruption Law and Law on Regulation of Public and Private Interests and Prevention of Conflict of Interest in Public Service. The objective of this undertaking is to eliminate all inappropriate rules and procedures from practice. Since the start of the year 2013, total of 3 ordinances were invalidated and 2 ordinances were amended.
- Bearing in mind the importance of preventive education of general public against corruption and in particular the youth, PPAD in cooperation with the Asian Foundation published the following two books: “Fair Mazaalai” and “A conversation with a friend”. Both books are targeted for children and pupils of kindergartens and elementary schools aimed to give a comprehensive knowledge on justice. Furthermore, PPAD organized an event titled “Summer Assignment” among pupils and children from some of the elementary schools and kindergartens in Ulaanbaatar city, during which the books are disseminated. This activity will continue starting on 1st September after the commencement of a new school year. Also IAAC initiated the broadcasting of popular documentaries and a short film titled: “Unnatural disaster of China: Tears of Sichuan Province”, “Where’s our money?” and “Psst, don’t tell anyone”. The broadcasting was done via major TV channels in the country. Also a website targeted for youth is under construction and is planned to be opened on International Anti-Corruption Day on 9th December of 2013.
- IAAC in cooperation with the Asian Foundation published handbook for public officials titled “Personal interest is like dew on hay, public interest is like the blue sky” that describes Law on Conflict of Interest in understandable format in 3000 copies. The copies of the book are

disseminated. Furthermore, because of the Parliamentary election held in 2012, effective movement of government officials in the government service caused the coherence between IAAC and competent officials from public organizations. In order to fill this gap, PPAD developed and published handbook that describes duties of competent official titled "For A Competent Official" and disseminated to all addressees.

- IAAC included high rank officials, in particular members of the Parliament in its scope of enlightenment activities and is preparing to publish handbook titled "For Member of the Parliament" aimed to provide said officials with specific knowledge of their rights and duties and explanations of unclear points of the Law on Conflict of Interest and Law on Anti-Corruption. Furthermore, PPAD is working to organize trainings for high rank officials on above mentioned topics.
- IAAC is planning to celebrate International Anti-Corruption Day on 9 December 2013. However, the preparation to the celebration had begun 6 months before. As a part of the preparation, PPAD announced a competition titled "Corruption Free Good Governance Practice-2013" among public organizations. The guideline of the competition was disseminated to all possible participant organizations through newspapers, websites and competent officials. Such early preparation would ensure high level of participation of public organizations.
- IAAC identified the importance of the journalists in enlightenment process and consequently organized in association with Globe International a one day campus-training for journalists that represents different media companies. During the training the instructors from PPAD gave a lesson on conflict of interest and strengthened practitioners' gained knowledge with exercises. This training was designed to strengthen capacity of journalists' understanding of conflict of interest issues and give comprehensive tools for monitoring of public officials that are at risk to commit any conflict of interest. Furthermore, during the PPAD mission to rural areas, our instructors gave explanations on conflict of interest issues to journalists in local media and at the same time established a data base of contacts of publicists. This ensures IAAC to cooperate closely with journalists in rural areas and increase its information channels to general public.

Preventive anti-corruption body or bodies.

- PPAD reorganized its internal work procedure, so that each officer of the department could focus and handle the specific public organizations or provinces effectively.
- Since IAAC does not possess any representative office in rural area, PPAD developed proposal on possible design of structure of local branches of IAAC in provinces and submitted it to the Director General and Commissioner General of IAAC.

Public sector. Following are the actions taken from January-June 2013.

- During the first half of the year, 8212 public officials from 88 public organizations in Ulaanbaatar city were covered in trainings while approximately 6000 citizens and public officials from 20 provinces were participated in such activities. The particularity of the trainings that were held in provinces were targeted more for general public. The main three topics of the training in provinces were "Law on Anti-Corruption", "Law on Conflict of Interest" and "Law on Information Transparency and Right to Information". As a result, the level of participation of general public in monitoring of government activities improved in particular number of complaints relating to Financial Regulatory Commission increased compared to other types of complaints.
- A month long campaign was organized in each of 2 districts of Ulaanbaatar city and public organizations and public entities of that territories were covered efficiently.

Public procurement and management of public finances

- Procurement office, when introducing its “One window service”, violated basic principle of competitive tendering by handing the permission to operate with “One window service” to “Turiyn Bank” without any selective process, which was later corrected by the efforts of PPAD.
- In order to handle the complaints on Soum Development Fund, IAAC cooperated effectively with Ministry of Labor of Mongolia and issued joint ordinance that regulates the fund’s operation efficiently.

Private sector

A draft memorandum of understanding between IAAC and Transparency International-Mongolia is finalized, that will include cooperation in the field of prevention of corruption and conflict of interest in private sector, capacity building of IAAC, public awareness of general public and many more.

Prosecution, adjudication and sanctions

The following statistics show respective numbers and percentage of criminal cases, that were under investigation during the first half of the year 2013 (courtesy of First half report of Investigation Department of IAAC):

- Abuse of functions - 56 (33%)
- Embezzlement of property in the private sector - 15, (9%)
- Bribery of national public official - 32, (19%)
- Embezzlement, misappropriation or other diversion of property by a public official - 12, (7%)
- Other - 58, (32%)

The following statistics show respective numbers of criminal cases, that were under investigation during the first half of the year 2013 (courtesy of First half report of Investigation Department of IAAC):

- Criminal cases submitted to the respective courts for sentence - 20
- Criminal cases submitted to the respective courts for justification - 24
- Criminal cases submitted to related jurisdictions - 21
- Criminal cases integrated to other criminal cases for joint investigation – 6
- Criminal cases delayed – 6

International cooperation

IAAC is co-operating closely with Stolen Asset Recovery (StAR) Initiative since November of 2011. As a result of a bilateral cooperation, mission from StAR Initiative visited IAAC and other law enforcement organizations on January 2013 and studied conditions of the institutions and legal system of Mongolia. Consequently IAAC in cooperation with experts from StAR Initiative, organized workshop on “International Financial Investigation and Mutual Legal Assistance Request (MLAR)” for inspectors and officials of related agencies and organizations during the second mission on May 2013. Next StAR mission is planned to be held on September of 2013. During this mission, experts from StAR Initiative would give instructions on MLAR drafting procedure for members of Working Group that consists of representatives from Ministry of Justice, Prosecutor General’s Office, State Investigation Office and Financial Investigation Unit. PPAD is working on preparation of the Working Group meeting that is planned to be held on 1st, 2nd and 3rd October 2013. The main goal of the Working Group would be to

draft interagency standard operating procedure manual or guideline for the preparation and circulation of outgoing MLARs.

Mutual legal assistance

The Government of Mongolia concluded an agreement on Mutual Legal Assistance with the following countries: Hungary, Bulgaria, Romania, Czech Republic, Slovakia, North Korea, Cuba, China, France, Kazakhstan, Poland, Russia, South Korea, Ukraine, Vietnam, Kyrgyzstan, Turkey, India and Canada.

Declaration on Private Interest and Asset and Income of public officials

In 2013, IAAC received progress reports on declarations filled by public officials from 110 ministries, agencies and local government organizations in written and e-form. Out of 47142 declarers registered to file declaration in 2013, 47127 public officials filed their declarations successfully, of which 47105 officials filed on time (see table below).

Indicator		Income and Asset Declarations in 2009	Income and Asset Declarations in 2010	Income and Asset Declarations in 2011	Private Interest and Income and Asset Declarations in 2011	Private Interest and Income and Asset Declarations in 2012
Total number of public officials obliged to file the declarations		54604	56832	58251	45858	47142
Total number of public officials who filed the declarations		54468	56763	58187	45762	47127
Of which	On time	54453	56714	58162	45755	47105
	Delayed	15	49	25	7	22
Number of public officials that are not filed declarations		136	69	64	96	15
Of which	Representatives of Citizens Representatives' Hural	98	61	50	83	16
	Others	38	8	14	20	21
Filled declarations rate		99.75	99.87	99.89	99.79	99.97